



Budgeting 101

City of Olympia, Washington
Fiscal Year 2013
olympiawa.gov

Learning Objectives

- ✓ Understand how the budget relates to City services.
- ✓ Understand where City money comes from and where it goes.
- ✓ Understand the budget process
 - *How the budget is developed*
 - *How the community can provide input*

Jurisdictions

- Government services are provided by a variety of jurisdictions in the Olympia area.
- Each one provides a different set of services.

Who Provides the Services I Use?

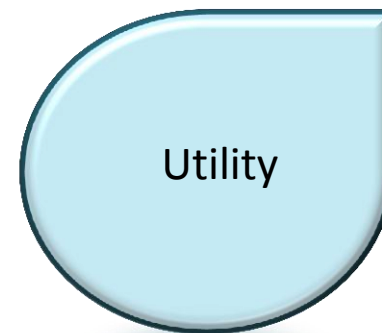
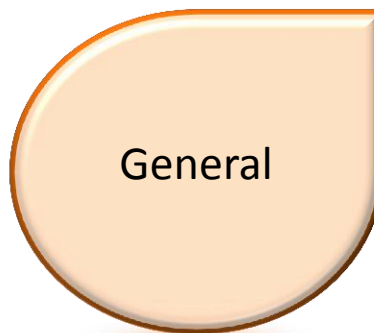
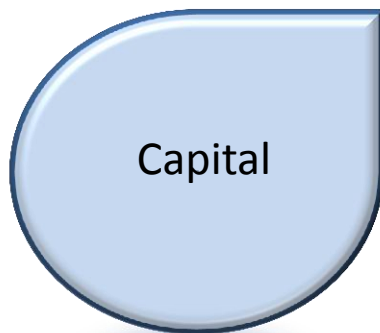
Jurisdiction	City of Olympia	State of Washington	Thurston County	Intercity Transit	Olympia School Districts	LOTT
Amtrak Train Depot	Funding			X		
Animal Services	Funding					
Art	X	Funding				
Business Licenses	X	X				
Court	Misdemeanor Offenses	Appeals	Felonies/ Civil			
Education		Funding			K-12 Schools	
Employment Office		X				
Garbage/ Recycling	X		Landfill			
Health & Social Services		X	X			
Housing	CDBG		X			
Library	Capital Cost		5 County District O&M			
Parks & Recreation	Recreation, Parks, Trails	Sylvester & Heritage Parks	Conservation Futures		Ball fields, Tracks	
Planning & Development	Land Use	Land Use	Regional (TRPC)			
Public Safety	Jail, Police, Fire	State Patrol	Jails, Courts, EMS, 911			
Reclaimed Water						X
Sewer Collection	X					
Sewer Treatment						X
Street Lighting	X					
Transportation	City Streets, Sidewalks, Bridges	State Highways & Bridges		Buses	School Buses	
Water	X					

City Service Areas

- **Public Works**
 - *Traffic Signals, Road Maintenance, Sidewalks & Bike Lanes, Signs & Markings, Engineering, Fleet, Facilities, Wastewater, Drinking Water, Stormwater and Solid Waste Utilities*
- **Public Safety**
 - *Police, Corrections, Fire, Emergency Management*
- **Community Development**
 - *Development Services and Permitting & Planning, Neighborhood Involvement, Housing, Parking & Code Enforcement, Urban Forestry*
- **Parks, Arts & Recreation**
 - *Parks & Recreation, Public Art, Community Events*
- **Legislative, Administration & Support**
 - *City Council, City Manager, City Attorney, Community Relations, Finance, Technology, Human Resources, City Clerk, Public Records*
- **Court**
 - *Municipal Court, Probation Services*

The Budget

- A plan for the acquisition and allocation of resources to accomplish specific purposes.
- The budget provides the strategic direction the City intends to take over the coming fiscal year. (January 1-December 31st)



The Budget & Services

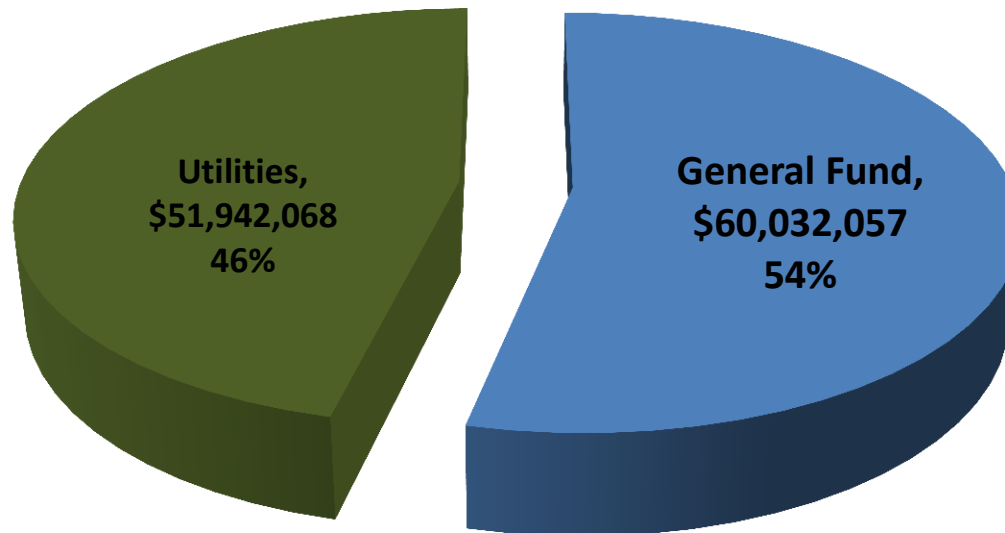
- Funding for the City's core services are divided into two parts:
 - **General Fund** – Includes Services such as Public Safety, Parks & Recreation and Community Development
 - **Utilities Fund** – Funds infrastructure spending such as water, sewer, solid waste and stormwater
- The **Capital Facilities Plan** funding ties to the Comprehensive Plan.
 - Capital Facilities projects must have a five year life expectancy and the project cost must exceed \$50,000. Includes projects such as: parks, roads, sanitary sewer, sidewalks, traffic signals, fire, and recreational facilities.
 - The Capital Facilities plan can be found online at: <http://olympiawa.gov/city-government/budget-financial-reports.aspx>
- Where the money comes from often determines how it can be spent.

Allocating Resources

- Many Funds are limited to specific uses based on their source.
 - Water and sewer charges pay for water and sewer system maintenance and improvements
 - Permit fees pay for development services
 - Fees may not exceed the anticipated cost of service
- The General Fund is the pool of general City resources that are not set aside for specific uses.
 - These come from property, sales and business taxes.
 - Allocated based on City Council priorities.

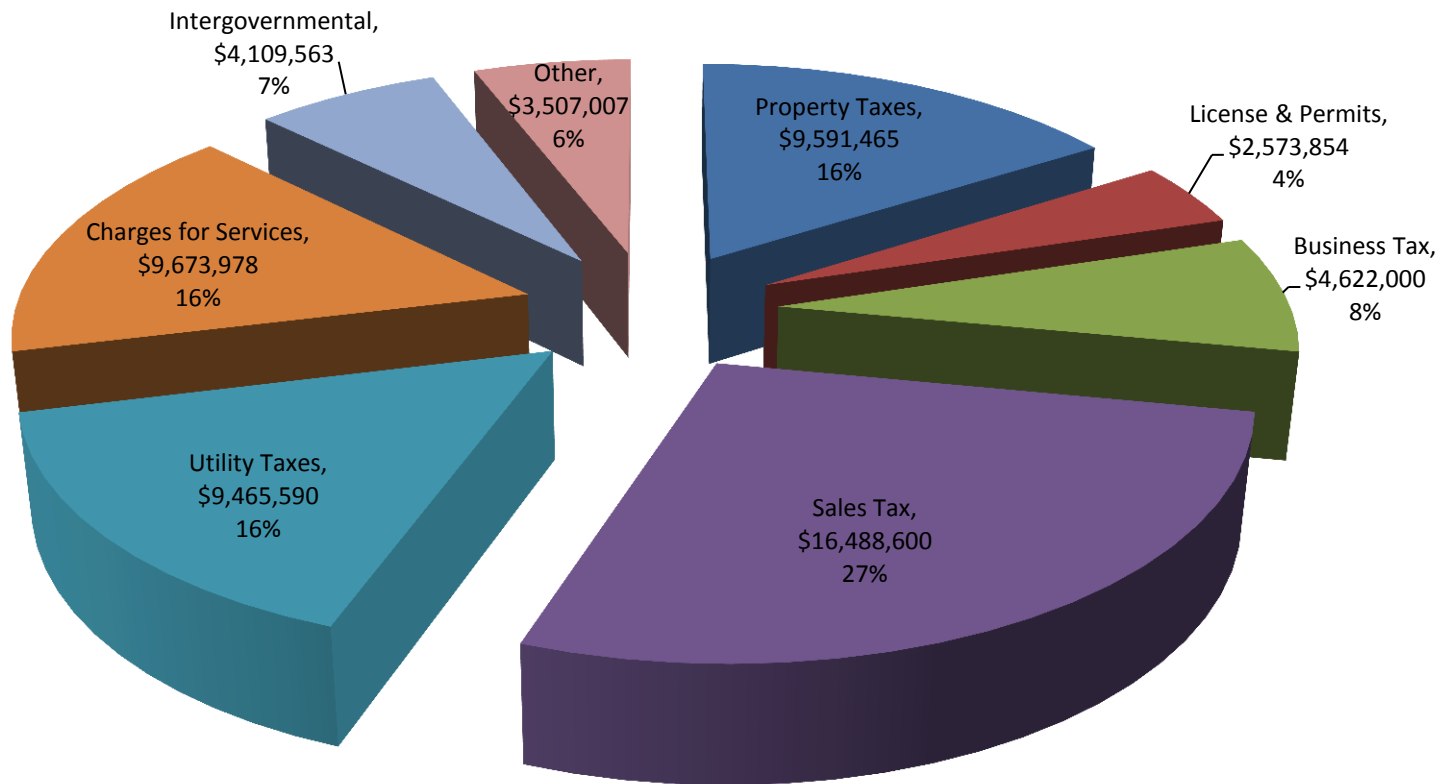
2013 Budget

Total Budget
\$111,974,125



General Fund Resource Summary

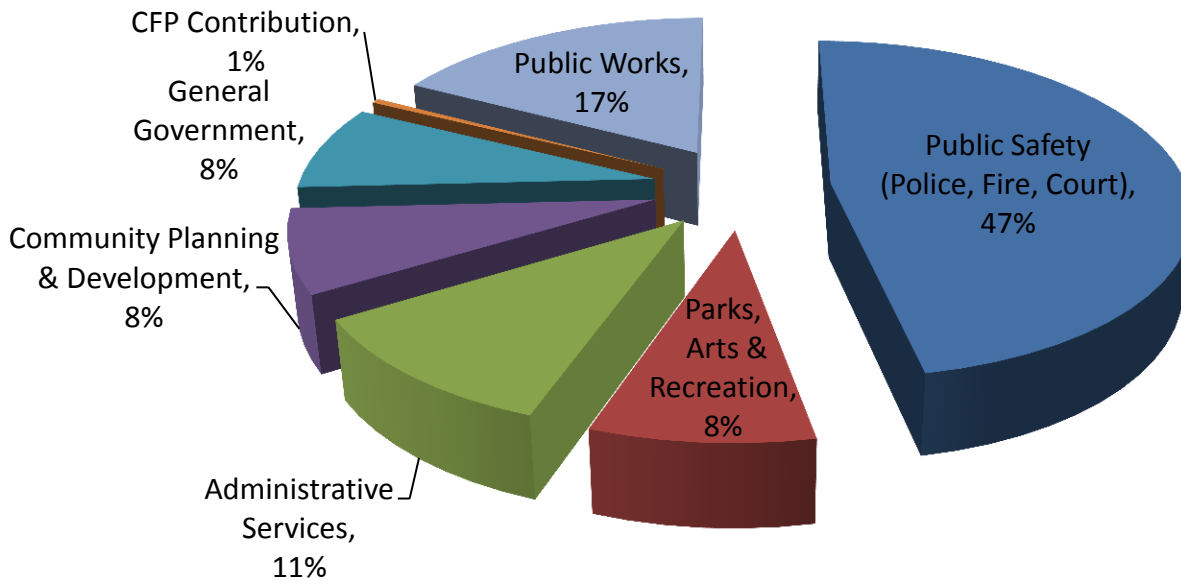
Total \$60,032,057



Source: City of Olympia - FY 2013 Adopted Budget, Page 70

General Fund Expenditures Summary (By Department)

Total \$60,206,513

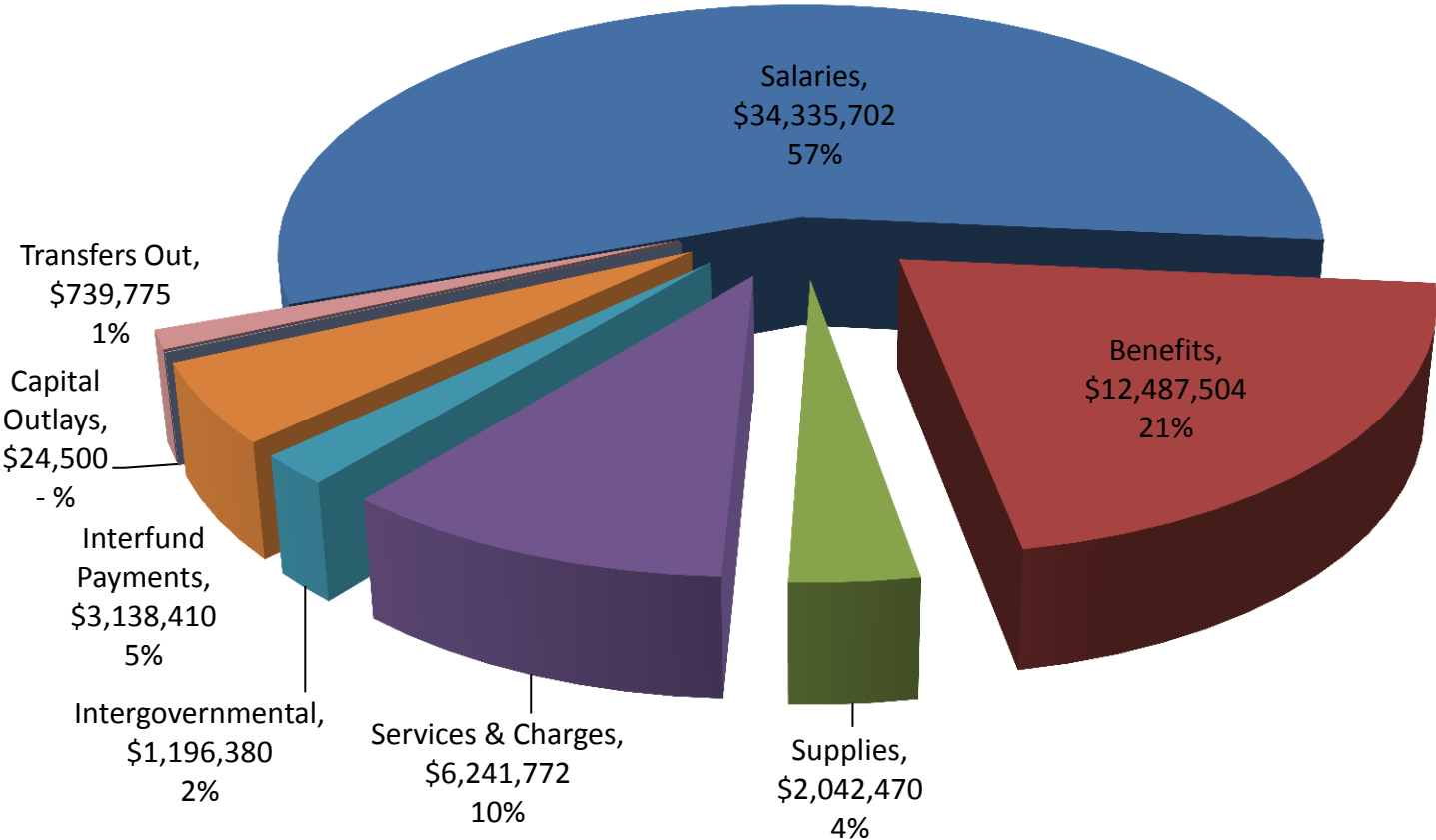


Department	Budget
Public Safety (Police, Fire, Court)	\$ 28,282,150
Parks, Arts & Recreation	\$ 5,061,006
Administrative Services	\$ 6,583,317
Community Planning & Development	\$ 4,745,193
General Government	\$ 4,860,983
CFP Contribution	\$ 275,000
Public Works	\$ 10,398,864
Total General Fund Budget	\$ 60,206,513

Source: City of Olympia - FY 2013 Adopted Budget, Page 37

General Fund Expenditures Summary (By Category)

Total \$60,206,513



* Does not include debt services

Current Financial Outlook

- Economic Conditions
 - National economic uncertainty, slow growth and declining unemployment
 - Continued depressed local housing prices, consumer spending, and overall revenue
- Sales Tax starting to show slight recovery
- Building related revenue has shown growth for last 3 years
- Salary increases tied to growth in sales tax for non public safety employees
- All employees (except Public Safety) paying an increased cost of benefits
- Pilot Project to contract out street tree, roundabout & median maintenance

Potential Programs at Risk

- Eliminate Communication Services
- Reduce Accounting internal controls
- Slower response to public disclosure requests
- Move to a Bi-Annual CFP

- Brown out a fire station
- Close Westside Police Station
- Eliminate Harbor Patrol
- Reduce contract jail beds

- Reduce support for Comp Plan
- Reduce Parking enforcement
- Reduce support for Planning Commission
- Reduce support to neighborhood & sub-area planning

- Reduce adult recreation
- Further reduce park maintenance
- Reduce street repair / reconstruction
- Eliminate all street sweeping

- Reduce prosecution of misdemeanor cases
- Reduce number of customer service hours at City Hall and Municipal Court

Potential Revenue Increases

Without Voter Approval

- Utilities fund fire flow expenses
- Increase TBD fee up to \$40 per vehicle
- Charge Utility Tax on Cable T.V.
- Use REET for street maintenance (expires in 2016)
- Increase gambling taxes
- Increase B&O tax
- Increase tax on City owned utilities

With Voter Approval

- Increase TBD fee up to \$100 per vehicle
- Levy lid lift
- Increase utility tax on private utilities
- Excess levy for capital construction

FY 2013 Budget Process

May & June - Strategic Planning

- Guidelines sent out, employees and Council start working on Budget

July – Financial Capacity/ Needs Assessment

- Departments determine needs, prepare and submit Budget proposals to Budget Review Team

Aug./ Sept. – Review, Fine-Tune

- Budget Review Team discusses, reviews and makes adjustments

Oct. / Nov. – Public Commentary

- Council study sessions and public hearing are held, Council collects recommendations on budget adjustments and spending

Dec. - Final Adoption & Implementation

- Council adopts Operating and Capital Budgets by ordinance
- Adopted Budgets become effective January 1

Preliminary Budget Stage

May

- Council Goal Setting Sessions
- Financial Forecast
- Budget Guidelines to Departments
 - Council goals and priorities
 - Strategic issues and challenges
 - City financial condition
 - Financial forecast

Get Involved!

- ★ Departments meet with advisory committees, which are all public meetings

Proposed Budget Stage

June - August

- City Manager's proposed Budget – Internal Meetings
 - Discussions with Department Directors on Operating Budget
 - CFP sent to Planning Commission for review
- Planning Commission public hearing on CFP

Get Involved!

Ongoing Community partnership events:

- ★ Planning Commission & Council Finance Committee meet/review aspects of the budget and CFP
- ★ Planning Commission public hearing on CFP

Approved Budget Stage

October - November

- City Council public hearing on Operating & Capital Budgets and budget reviews
- Ad Valorem Tax public hearing

Get Involved!

- ★ Evening hearings for public testimony on the Proposed Budget, CFP and Property Tax
- ★ Written testimony continues

Adopted Budget Stage

December

- Technical adjustments/ final review
- Council vote on Adopting Budget (2nd Reading)
- Budget monitoring process all year to track progress on budget decisions

Get Involved!

- ★ Council has three committees that meet monthly:
 - Finance
 - Land Use
 - General Government
- ★ Join/ Attend Advisory Committees (<http://olympiawa.gov/city-government/advisory-committees>)
- ★ Attend/ View a City Council meeting (http://olympia.granicus.com/ViewPublisher.php?view_id=2)

Questions/ Comments?

More detailed information about the City's budget can be found online at:

<http://olympiawa.gov/city-government/budget-financial-reports.aspx>